

Exhibit Name: Premium Calculation
Exhibit Number: P11-8, Plan 55
Record Name: Acreage
Record Code: P11

Reinsurance Year: 2012
Version: DRAFT
Release Date: 7/21/2011

Insurance Plan Code 55 Yield Based Dollar Amount of Insurance

Commodity Code 0062 Hybrid Seed Corn 0050 Hybrid Sorghum Seed

<u>Calculations</u>	<u>Field Name</u>	<u>Record Number</u>	<u>Field Number</u>	<u>Field Format</u>	<u>Field Rounding</u>	<u>Rules</u>
Section 1: Liability Calculation						
Approved Yield = $\frac{\text{County Yield} * \text{Yield Price Factor}}{\text{Quantity}}$ – Minimum Payment	Approved Yield	P11	46	99999999.99	Round to 1 decimal.	
	County Yield	ADM		9999.9	None	Edit with ADM Base Rate, "A01010".
	Yield Price Factor	ICE	33	9.9999	None	Coverage Level Factor from SPOI. Edit with Yield Price Factor ICE, "D00041".
	Minimum Payment Quantity			999999.99		Minimum Payment Quantity must be converted to bushels.
Premium Acre Guarantee = $\frac{\text{Approved Yield} * \text{Price Election Amount}}{\text{Quantity}}$	Premium Acre Guarantee Quantity	Internal		99999999.99	Round to whole number.	
	Price Election Amount	P11	49	9999.9999	None	If HS option elected, price should reflect higher of MPC1 or HPSE price (A00810 Hybrid Seed Option Price).
Acre Guarantee Quantity = $\frac{\text{Premium Acre Guarantee Quantity} * \text{Guarantee Adjustment Factor}}{\text{Guarantee Adjustment Factor}}$	Acre Guarantee Quantity	P11	100	99999999.99	Round to whole number.	
	Guarantee Adjustment Factor	P11	75	0.999	None	Edit with the Guarantee Adjustment ICE, "D00068".
Premium Total Guarantee Amount = $\text{Premium Acre Guarantee Quantity} * \text{Reported Acreage}$	Premium Total Guarantee Amount	Internal		99999999.99	Round to whole number.	
	Reported Acreage	P11	52	999999.99	None	Reported Acreage must equal the sum of all Land, P27, Reported Acreage.
Total Guarantee Amount = $\text{Acre Guarantee Quantity} * \text{Reported Acreage}$	Total Guarantee Amount	P11	97	99999999.99	Round to whole number.	
	Reported Acreage	P11	52	999999.99	None	Reported Acreage must equal the sum of all Land, P27, Reported Acreage.
Premium Liability Amount = $\frac{\text{Premium Total Guarantee Amount} * \text{Insured Share Percent}}{\text{Percent}}$	Premium Liability Amount	Internal		9999999999	Round to whole number.	
	Insured Share Percent	P11	47	9.999	None	
Liability Amount = $\text{Total Guarantee Amount} * \text{Insured Share Percent}$	Liability Amount	P11	88	9999999999	Round to whole number.	
	Insured Share Percent	P11	47	9.999	None	

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Insurance Plan Code		55 Yield Based Dollar Amount of Insurance					
Commodity Code		0062 Hybrid Seed Corn		0050 Hybrid Sorghum Seed			
Calculations		Field Name	Record Number	Field Number	Field Format	Field Rounding	Rules
Section 2: Base Premium Rate Calculation							
Base Premium Rate =	When Rate Method Code equals Fixed Rate, "F": Sub County Rate * Rate Differential Factor	Base Premium Rate	Internal		999999.99999999	Round to 8 decimals.	
	When Rate Method Code equals Additive, "A": (Sub County Rate + Base Rate) * Rate Differential Factor	Sub County Rate	ADM		9.9999	None	Edit with ADM Sub County Rate, "A01050".
	When Rate Method Code equals Multiplicative, "M": Sub County Rate * Base Rate * Rate Differential Factor	Base Rate	ADM		999.9999	None	Edit with ADM Base Rate, "A01010".
	Otherwise: Base Rate * Rate Differential Factor	Rate Differential Factor	ADM		9.999999999	None	Edit with ADM Coverage Level Differential, "A01040".
Section 3: Optional Coverage Calculation							
Additive Optional Rate Adjustment Factor = \sum Option Rate * Rate Differential Factor	When Rate Method Code is Additive, "A":	Additive Optional Rate Adjustment Factor	Internal		999999.9999	Round to 4 decimals.	
		Option Rate	ADM		99999.9999	None	Option Rate will be the Sum of all Option Rate with Rate Method Code equal to Additive, "A". Edit with ADM Option Rate, "A01060".
		Rate Differential Factor	ADM		9.999999999	None	Edit with ADM Coverage Level Differential, "A01040".
Multiplicative Optional Rate Adjustment Factor = \sum Option Rate1 * Option Rate2 * Option Rate3...	When Rate Method Code is Multiplicative, "M":	Multiplicative Optional Rate Adjustment Factor	Internal		999999.9999	Round to 4 decimals.	
		Option Rate	ADM		9.9999	None	Edit with ADM Option Rate, "A01060".
Section 4: Premium Rate Calculation							The Premium Rate for ALL Unit Structures should be capped at .999 in the event various
Premium Rate	Premium Rate	Internal			9999999999.99999999	Round to 8 decimals.	Premium Rate is capped at 0.99900000.
	Base Premium Rate * Unit Structure Discount Factor * = Multiplicative Optional Rate Adjustment Factor + Additive Optional Rate Adjustment Factor Unit Structure Discount Factor	ADM			9.999	None	Edit with ADM Unit Discount, "A01090". When Unit Structure Code equals "OU", then Unit Structure Discount Factor equals Optional Unit Discount Factor. When Unit Structure Code equals "BU", then Unit Structure Discount Factor equals Basic Unit Discount Factor.

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Insurance Plan Code

55 Yield Based Dollar Amount of Insurance

Commodity Code

0062 Hybrid Seed Corn

0050 Hybrid Sorghum Seed

CalculationsField
NameRecord
NumberField
NumberField
FormatField
RoundingRules**Section 5: Total Premium, Subsidy, and Producer Premium Calculation**

$$\text{Preliminary Total Premium Amount} = \frac{\text{Premium Liability Amount} * \text{Premium Rate}}{\text{Experience Factor}}$$

Preliminary Total Premium Amount

Internal

9999999999

Round to whole number.

Experience Factor

P11

51

9.999

None

Must be a value between minimum and maximum on ICE, "D10023".

$$\text{Total Premium Amount} = \frac{\text{Preliminary Total Premium Amount} * \text{Multiple}}{\text{Commodity Adjustment Factor}}$$

Total Premium Amount

P11

89

9999999999

Round to whole number.

Multiple Commodity Adjustment Factor

ICE

9999.999

None

Edit with ICE Multiple Cropping, "D00063".

$$\text{Subsidy Amount} = \text{Total Premium Amount} * \text{Subsidy Percent}$$

Subsidy Amount

P11

87

9999999999

Round to whole number.

Subsidy Percent

ADM

9.999

None

Edit with ADM Subsidy Percent, "A00070".

$$\text{Producer Premium Amount} = \text{Total Premium Amount} - \text{Subsidy Amount}$$

Producer Premium Amount

P11

90

9999999999

Round to whole number.